

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16398
[Redacted])	
)	DECISION
Petitioners.)	
_____)	

[Redacted] (petitioners) protest a portion of the Notice of Deficiency Determination issued by the auditor for the Idaho State Tax Commission (Commission) dated January 7, 2002 asserting additional liabilities for Idaho income tax and interest in the total amounts of \$612, \$1,355 and \$757 for 1996, 1997, and 1999, respectively. The petitioners protested only the liability asserted for 1997, stating that the liabilities asserted for 1996 and 1999 were correct. Therefore, this decision will address only the liability asserted for 1997.

The petitioners failed to file an Idaho income tax return for 1997. The staff of the Commission contacted the petitioners to try to get the petitioners to file the return. This did not result in the petitioners filing the requested return. Therefore, the staff [Redacted] asserted the liabilities shown in the Notice of Deficiency Determination mentioned above.

The petitioners contend that the liability for 1997 is incorrect since some of the income in question was earned in another state. The petitioners failed to provide information sufficient to determine whether they were residents for the entire year of 1997. Idaho Code § 63-3022 states that a resident is taxable on all income regardless of source. Since the petitioners have failed to establish that they were other than residents, the Commission finds that they should be taxed as residents of Idaho.

Idaho Code § 63-3029 provided for a credit for taxes paid another state. That section also provides that "[t]o substantiate the credit allowed under this section, the state tax commission may

require a copy of any receipt showing payment of income taxes to another state or a copy of any return or returns filed with such other state or territory, or both." The staff of the Commission requested that the petitioners provide a copy of the income tax return they filed in the other state. However, the petitioners did not provide this. It is impossible for the Commission to determine the amount, if any, of any such credit and therefore, no such credit is allowable.

WHEREFORE, the Notice of Deficiency Determination dated January 7, 2002 as it relates to 1997, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax, penalty, and interest (calculated to February 28, 2003):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$872	\$218	\$318	\$1,408

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2002, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in envelopes addressed to:

[Redacted]

